RAJYA SABHA

Thursday, the 19*th February,* 2009/30 *Magha,* 1930 *(Saka)*

The House met at eleven of the clock,
MR. CHAIRMAN in the Chair.

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RE: SUSPENSION OF QUESTION HOUR

MR. CHAIRMAN: Question No.61...*(Interruptions)*

श्रीमती सुषमा स्वराज (मध्य प्रदेश) : सभापति जी, मैंने प्रश्न-काल स्थगन का नोटिस दिया है। ...(व्यवधान)...

SHRI PENUMALLI MADHU (Andhra Pradesh): Sir, the Chief Minister's son is involved in a huge scam...*(Interruptions)*

श्रीमती सुषमा स्वराज : सभापति जी, हम यह आरोप लगाते आ रहे हैं कि यू.पी.ए. सरकार एन.डी.ए. शासित राज्यों के साथ भेदभाव करती है। कल जद(यू) अध्यक्ष, श्री शरद यादव जी ने बिहार का मसला उठाया था, आज मैं मध्य प्रदेश का मामला आपके सामने रखना चाहती हूं। मध्य प्रदेश में ....(व्यवधान)...

MR. CHAIRMAN: Please take it up after the Question Hour, in the Zero Hour ...*(Interruptions)*

SHRI PENUMALLI MADHU: The son of the Chief Minister is involved in a big scam. We want suspension of the Question Hour and to take up this issue...*(Interruptions)*

श्रीमती सुषमा स्वराज : सर, हमारे मुख्य मंत्री पदयात्रा कर रहे हैं और हमारे सारे सांसद आज गांधी जी की मूर्ति के सामने बैठकर धरना प्रदर्शन कर रहे थे। इसलिए मैं चाहती हूं कि यह विषय आप हमें उठाने की अनुमति दें, ताकि मैं यह बात रख सकूं कि मध्य प्रदेश के साथ किस प्रकार का ...(व्यवधान)...

MR. CHAIRMAN: You raise it in the Zero Hour. Let us resume the Question Hour.

श्रीमती सुषमा स्वराज : ज़ीरो ऑवर में नरेंद्र सिंह तोमर जी यह बात रखेंगे।

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ORAL ANSWERS TO QUESTIONS

वाशिंगटन, डी.सी. में जी-20 की बैठक

*61. **श्री वाई.पी. त्रिवेदी**: क्या **वित्त मंत्री** यह बताने की कृपा करेंगे कि:

(क) क्या वाशिंगटन, डी.सी. अमरीका में नवम्बर में आयोजित जी-20 देशों की वित्तीय मामलों संबंधी बैठक में विश्व-व्यापी आर्थिक मंदी से निपटने के लिए उपायों पर चर्चा की गई थी; और

(ख) यदि हां, तो तत्संबंधी ब्यौरा क्या है?

वित्त मंत्री (श्री प्रणब मुखर्जी): (क) और (ख) विवरण सभा पटल पर रख दिया गया है।

विवरण

(क) और (ख) जी हां, संयुक्त राज्य अमरीका की पहल पर "वित्तीय बाजार एवं विश्व **अर्थव्यवस्था**" के संबंध में जी-20 देशों का शिखर सम्मेलन 15 नवम्बर, 2008 को वाशिंगटन में आयोजित किया गया था। शिखर सम्मेलन के लिए निमंत्रण में यह प्रस्तावित/संस्तुत था;

(i) वर्तमान वित्तीय संकट के निराकरण की दिशा में हो रही प्रगति की समीक्षा करना, इसके कारणों के बारे में एक साझी सोच तैयार करना और इसकी पुनरावृत्ति से बचने के लिए विश्व के वित्तीय क्षेत्रकों से संबंधित विनियामक एवं संस्थागत तंत्रों में सुधार के लिए जिन्हें परवर्ती शिखर सम्मेलनों में विचार किए जाने के लिए कार्यकारी समूहों द्वारा आगे और अच्छी तरह तैयार किया जा सकता है, सिद्धांतों के एक साझे सेट पर सहमत होना।

(ii) उभरती बाजार अर्थव्यवस्थाओं और विकासशील राष्ट्रों पर संकट के प्रभावों पर चर्चा करना।

(iii) मुक्त, प्रतिस्पर्द्धी अर्थव्यवस्थाओं एवं व्यापार तथा निवेश उदारीकरण के प्रति बढ़ती हुई वचनबद्धता पर चर्चा करना।

शिखर सम्मेलन के पश्चात् जी-20 देशों के प्रमुखों ने "**वर्तमान** संकट के मूल **कारण**", "**की** गई एवं की जाने वाली **कार्रवाई**" का उल्लेख करते हुए एक घोषणा जारी की जिसमें सुधार के साझे सिद्धांतों को कार्यान्वित करने के लिए एक व्यापक "**कार्य योजना**" प्रस्तुत की गई। इन सिद्धांतों में, अन्य बातों के साथ-साथ, पारदर्शिता तथा जवाबदेही की सुव्यवस्था करना, ठोस विनियम में वृद्धि करना, वित्तीय बाजारों में सत्यनिष्ठा को बढ़ावा देना, अंतर्राष्ट्रीय सहयोग को सुदृढ़ बनाना और अंतर्राष्ट्रीय वित्तीय संस्थाओं में सुघार करना शामिल है।

G-20 meeting in Washington, D.C.

*61. SHRI Y.P. TRIVEDI: Will the Minister of FINANCE be pleased to state:

(a) whether discussion on the measures to resolve the global economic crisis was held in the financial matter related meeting of G-20 countries organized in November in Washington, D.C., United States of America; and

(b) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) and (b) A Statement is laid on the Table of the House.

Statement

(a) and (b) Yes Sir. On the initiative of United States of America (USA), the G-20 Summit on "Financial Markets and the World Economy" was held in the Washington on 15th November, 2008. In the invitation for the summit, it was proposed/recommended:

(i) to review progress being made to address the current financial crisis, advance a common understanding of its causes, and in order to avoid a repetition, agree on a common set of principles for reform of the regulatory and institutional regimes for the world's financial sectors which can be further developed by working groups for consideration in subsequent summits.

(ii) to discuss the effects of the crisis on emerging market economies and developing nations.

(iii) to discuss enhancing commitment to open, competitive economies as well as trade and investment liberalisation.

After the Summit Meeting, the Leaders of Group of Twenty (G20) issued a declaration outlining "Root Causes of the Current Crisis", "Actions taken and to Be Taken", which has put forth a comprehensive "Action Plan" to implement the common principles for reform including *Inter-alia*, Strengthening Transparency and Accountability, Enhancing Sound Regulation, Promoting Integrity in Financial Markets, Reinforcing International Cooperation, and Reforming International Financial Institutions.

SHRI Y.P. TRIVEDI: Sir, we are passing through an unprecedented time of global recession. The world is worried that this crisis would become like the Great Depression of 1929, when in the United States, there were queues for bread and soup...

MR. CHAIRMAN: Now, what is your supplementary?

SHRI Y.P. TRIVEDI: I am coming to the supplementary. The G-20 Summit was held to tackle this problem. Now we have problems at home. Instead of releasing large sums of money in circulation, by decreasing the Repo rate, CRR, SLR etc., is the Government planning to undertake massive job-oriented programmes like housing, road construction, etc., the way Mr. Franklin Roosevelt had done in his New Deal in America.

SHRI PRANAB MUKHERJEE: Sir, I entirely agree with the hon. Member that in order to overcome this problem, we shall have to ensure that more jobs are generated, and more investments in the employment oriented sectors have to be done. Keeping that in view, from the beginning, we have started initiating certain action, and I am quite confident that in the course of time, it would be possible for us to put it in the right track. At the same time, I would like to say, with a word of caution, that the full impact is yet to be felt. It is unfolding. Moreover, there are constitutional constraints on the incumbent Government to take too many measures involving too much of resources because the mandate of the Government is coming to an end. A new Government is likely to take office after the General Elections are held. Whichever be the Government, whether it is their party or my party, it will be a new Government. Therefore, even though I could have addressed all these issues properly in my Budgetary provisions, I could not do too many radical things. At the same time, if the economy demands certain things and if these could be done within this parameter, surely, we would like to do them. I have just discussed with my officers, my colleagues and with some experts, and I am also going to have another round of discussion because I do believe that fiscal corrections and monetary policy changes go side by side so that the impact is felt. For that, as your know, the Reserve Bank enjoys certain autonomy. I will have consultations with the Governor of the Reserve Bank, and after doing that, I do hope that while replying to the debate on the Budget, I may be in a position, — I am not making any assurance or commitment — to indicate some more detailed information.

SHRI Y.P. TRIVEDI: This is my second supplementary, Sir. Arising out of the global meltdown, a large number of our skilled workers, who remitted huge amounts in the past, swelling our foreign exchange reserves, are returning home because of the sluggish economy elsewhere. Thirty thousand people have returned from Dubai and many more from the USA. Does the Government have any plan of rehabilitation by giving them loans at concessional and reasonable rates so that they can start their enterprises and their own businesses?

SHRI PRANAB MUKHERJEE: So far as the return of Indian workers from abroad is concerned, it is a consequence of the meltdown. It cannot be averted. If they do not have jobs abroad, how can they send money back home? Therefore, these are the consequences. But so far as the availability of foreign exchange reserves are concerned, we need not be worried right now and we need not press the panic button. We shall have to work out how this work force can be utilised. But, in view of the situation that is unfolding, it is not possible to give any concrete plan.

SHRI D. RAJA: The situation is very serious, Sir. We all understand that. Even the Nobel laureate, Paul Krugman, has said that the recession is likely to lead to another depression. In such a situation, the global meltdown has started impacting our own real economy. I understand the Washington meeting has set up a committee. I would like to know whether India is a member of any such committee. If so, what is the position that India is likely to take at such an international forum?

SHRI PRANAB MUKHERJEE: India is the chairman of a core group. Dr. Rakesh Mohan of India is the co-chairman of the working group on 'Enhancing Sound Regulation and Strengthening Transparency'. Each of these committees, the normal practice is, will be co-chaired by one emerging economy representative, that is, a representative of the country which is considered as the emerging economy; and another, of course, by a developed economy. 'Enhancing Sound Regulation and Strengthening Transparency is a sub-group. Dr. Rakesh Mohan of India and Mr. Tiff Macklem of Canada are the co-chairmen; and there are representatives of countries. Our representative is Mr. Anant Sinha, ED, RBI. Similarly, on 'Reinforcing International Cooperation' group and on 'Promoting Integrity in Financial Markets' group, Mexico and Germany's representatives and co-chairmen. So, India is co-chairing one of the four groups.

DR. K. MALAISAMY: Sir, it is seen from the reply that the G-20 Summit, to which India is also a party, have found out various causes of the crisis and it has worked out a comprehensive action plan to tide over the situation. This is what you have said in your reply. I am only trying to understand it, Sir. Now, what are the major steps taken by the Government of India and what major steps will be taken in future? Also, the other day, the hon. Minister — not this Minister — had replied in this connection that the effect of the global meltdown on Indian economy is marginal and that it can be managed. This was the reply given in the House. If the effect is only

marginal, I would like to know whether it is due to the inherent strength of the economy of our country or it is because of the action taken by you.

SHRI PRANAB MUKHERJEE: So far as the impact is concerned, as it is known to the hon. Member and to the House where a large number of...*(Interruptions)*... Yesterday, in my intervention on the Motion of Thanks, I mentioned that in the definition of the recession, if in immediate workers' review it is found to be a negative GDP growth rate, then it is considered that the recession has set in.

USA has declared; the whole of Europe has declared; Japan has declared and Singapore has declared that recession has set in because in two consecutive quarterly reviews the growth is projected as negative. We have reduced it from 9 per cent, and as I gave the figures yesterday, and still the CSO's latest assessment is around 7 per cent. The RBI from its Annual Report has indicated; thereafter in the first quarter, second quarter and the third quarter reviews they have revised the target from 5.5 per cent to 7 per cent from 5 per cent to 7 per cent. Perhaps, that is why we are saying that it is marginal up to now. But, as the situation is unfolding, I don't know how much time it will take to have the full assessment of the situation because people are losing jobs in the advanced countries, if the recession is set in. That is one symptom.

Secondly, our export has already come down. But, on an average, to some extent, there was a healthy growth of around 26 per cent. Now, up to October, the trend was around 17 per cent. I do not know what would be the latest figures, when it will be available, perhaps, there will be a downtrend. The industrial production has come down. So, the full impact of the year is to be assessed. Even in our financial system, the financial year has not come to an end, we are in part of February, and the figures on which we are working on are still related to the month of December. January, February and March, this last quarter's, figures are yet to be available.

SHRI RAHUL BAJAJ: Mr. Chairman, Sir, through you, I would like to say that things are slowing down, as I said yesterday in my speech. The fact is that it is not theoretically a recession because two quarters have had no negative growth here. It is no consolation, Sir, to the industry which is suffering. More sectors are suffering, you yourself have said that. For industry, unlike services and agriculture, December was a negative growth, not reduced growth, but negative growth. For the people who are losing jobs in the small, medium enterprises and bigger companies, it is no consolation whether it is a recession or not. In this context, Sir, without getting into the details of WTO compliance, I recognise that, the world, 'the developed world' which taught us free trade...*(Interruptions)*...

MR. CHAIRMAN: You put your question, please.

SHRI RAHUL BAJAJ: It is on a protectionist move, Sir. I don't want to be a protectionist. But there are things like H1B visas and all what President Obama has done. Can we now give

legitimate protection to the Indian industry, small, medium and large and delay signing of these free trade agreements with ASEAN, with China. We are not planning to sign it with China because it is not a market economy. And go a little slow on this external liberalisation? My request and question to the hon. Minister is this. Will you go slow with external liberalisation? Give us infrastructure; give us things in India; help us grow here; create demand here; take fiscal and monetary measures, as you yourself said, but go slow on external liberalisation for, at least, a year. This is going to be a very difficult year for the Indian industry and the Indian economy, Sir.

SHRI PRANAB MUKHERJEE: Sir, all the measures necessary to boost the Indian economy will be taken. There is no doubt in it. So far as the Free Trade Agreement with the ASEAN is concerned, it is still at the negotiating stage. In fact, the negotiations are not yet complete. Various countries are involved in it. The hon. Member is very knowledgeable and he knows it fully well that it takes time. So, we should not give a wrong signal right now. The support, I would not use the word 'protection', the support which the Indian economy requires will be given. That is why I am laying emphasis on both the fiscal corrections and the monetary corrections. Unless these two are moved together and they move in harmony, it would be difficult to tackle the problem. There is no room for complacency. The situation is difficult and it is not easy. But, at the same time, we need not get anything by simply pressing the panic button. The problem is complex and the situation is difficult. We shall have to collectively face the situation and overcome the crisis, of which we are confident.

Investment in development of National Highways

*62. DR. JANARDHAN WAGHMARE:††
SHRIMATI SHOBHANA BHARTIA:

Will the Minister of SHIPPING, ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether the Union Government has, recently, announced a Rs. 16000 crore scheme to develop National Highways;

(b) if so, whether most of the National Highways are in dilapidated condition and are not traffic worthy;

(c) if so, in what manner Government is going to invest Rs. 16000 crore on National Highways;

(d) whether any time bound programme has been formulated to renovate the National Highways; and

(e) if so, the details thereof?

THE MINISTER OF SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI T.R. BAALU): (a) to (e) A Statement is laid on the Table of the House.

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††The question was actually asked on the floor of the House by Dr. Janardhan Waghmare.